Headquarters U.S. Air Force

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Cost/Price Evaluation / Pre-Award Audit Briefing

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Cost/Price Proposal Instructions

- All pricing information shall be addressed in the Price Proposal, Volume IV, except that which is included with the Sample Task Proposal, Volume II
- The following should be furnished in Microsoft Excel and include ALL cell formulas:
  - Firm Fixed Price (FFP) Fully Burdened Labor Rates - Home Office and Field (Section L, Attachments L-7 and L-8)
  - Sample Task – SATOC Cost Detail Report Proposed Costs (Section L, Attachment L-9)
  - Any other documents showing computations of costs/rates
- All dollar amounts shall be rounded to the nearest dollar, except for the FFP fully burdened labor rates which are rounded to the nearest cent

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Cost/Price Proposal Instructions (cont'd)

- **Firm-Fixed-Price (FFP) Fully Burdened Labor Rates**
  - **Offerors shall complete tables at Section L, Attachments L-7 and L-8, Home Office and Field Labor Rates, respectively, and submit in Volume IV**
  - **Offerors shall provide FFP fully burdened labor rates for ALL labor categories identified for each fiscal year listed**
  - **Failure to propose rates for all labor categories will render proposal incomplete and subject to rejection**
  - **Fully burdened rates should include the base hourly labor rate plus applicable indirect costs, profit, and labor escalation**
  - **Successful offerors' proposed FFP fully burdened rates will be incorporated into resulting contract and used for future FFP CONUS task order pricing**
    - **Field rates at Atch L-8 may be used for negotiating OCONUS / remote/etc area rates at time of individual task order issuance**
    - **Home Office rates at Atch L-7 will not be adjusted for OCONUS/etc**

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Cost/Price Proposal Instructions (cont'd)

- **Sample Task**
  - **Offerors shall complete the tables at Section L, Attachment L-9 (SATOC Cost Detail Report), and submit in Volume II**
  - **Estimate should reflect offeror's approach in distribution of home office/field labor categories, travel & other direct costs**
    - **Parametric Cost Engineering System (PACES) Assembly Cost Detail Report at Section L, Attachment L-10, shall be used for direct project cost input**
  - **Offerors shall input data only into the yellow-highlighted cells**
  - **Labor rate for each proposed labor category will be the average fully burdened rate for that category as computed on tables at Section L, Attachments L-7 and L-8**
  - **Overhead and profit associated with costs other than labor, as well as bond costs, shall be proposed as separate cost elements**

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Cost/Price Evaluation Criteria

- Although least important, will contribute substantially to the source selection decision
- Will not be rated or color-coded
- Will be evaluated in terms of reasonableness to determine the offers that provide the best value and most advantageous approaches to the Government
- Price analysis, per FAR 15.404-1(b), will be used to assess reasonableness
  - Comparison of Total Evaluated Prices among Offerors
    - Adequate Price Competition is anticipated per FAR 15.403-1(c)(1)
  - Comparison of Sample Task prices to the Independent Government Estimate
- In the event discussions are conducted, offeror's price may be considered unreasonable when there is an unexplained price reduction, to include management challenges
- Unreasonably high or low proposed Total Evaluated Prices may be grounds for eliminating proposal from competition

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Cost/Price Evaluation Criteria (cont'd)

- **Total Evaluated Price**
  - **Basis for evaluating price for contract award decision purposes and only price discriminator among Offerors**
  - **A simple 10-year average of the FFP labor rates for each labor category will be computed from Atchs L-7 and L-8**
  - **Average rates will be applied to predetermined labor hours to calculate a total price for each labor category**
  - **Labor category totals will be summed to arrive at one total price for Home Office and one total price for Field**
  - **Sample task total price from Atch L-9 will be added to Home Office and Field total prices from Atchs L-7 and L-8 to develop each Offeror's Total Evaluated Price**

Cost/Price Evaluation Criteria (cont'd)

- **Total Evaluated Price = Total Home Office + Total Field + Total Contract Amount for Sample Task Project**

Section L, Attachment L-7					
FFP Fully Burdened Rates					
Home Office	FY2007	FY2016		PRE-	
	1-Oct-06	1-Oct-15	AVERAGE	DETERMINED	
Gov't Labor Classification	30-Sep-07	30-Sep-16	RATE	LABOR HOURS	TOTAL
Program Manager - Senior	$0.00	$0.00	$0.00	0	$ -
. . . . .	$0.00	$0.00	$0.00	0	$ -
Project Controls Analyst - Mid	$0.00	$0.00	$0.00	0	$ -
			TOTAL - HOME OFFICE		$ -

Section L, Attachment L-8					
FFP Fully Burdened Rates					
Field	FY2007	FY2016		PRE-	
	1-Oct-06	1-Oct-15	AVERAGE	DETERMINED	
Gov't Labor Classification	30-Sep-07	30-Sep-16	RATE	LABOR HOURS	TOTAL
Program Manager - Senior	$0.00	$0.00	$0.00	0	$ -
. . . . .	$0.00	$0.00	$0.00	0	$ -
Project Controls Analyst - Mid	$0.00	$0.00	$0.00	0	$ -
				TOTAL - FIELD	$ -

Section L, Attachment L-9	
SATOC Cost Detail Report	
Summary of Costs	
	Amount
Total Contract Amount for Project:	$ -

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Pre-Award Audit

- Cost-Plus-Fixed-Fee (CPFF) task orders are anticipated under resulting contract
- To receive an award, prime contractors must have an accounting system determined adequate by DCAA for accumulating and reporting incurred costs under cost-type contracts
- Offerors shall provide evidence of an adequate accounting system as determined by DCAA
- Offerors without an approved accounting system should register on the SATOC website to initiate a review by DCAA
  - Request should be submitted no later than 10 days after release of RFP

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Subcontracting Plan

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Subcontracting Plan

- **Subcontracting Plan Information**
  - **FAR References**
  - **Eleven steps to a successful plan**
- **Subcontracting Plan Requirements/Evaluations**
  - **Section L**
  - **Section M**

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Subcontracting Plan

What requires the submittal of a Subcontracting Plan?

- The Small Business Act (added by P.L.95-507)

- Implementation in FAR 19.700

- Clause is in FAR 52.219-9

- Additional implementation and clauses in FAR Sups
  ->$500,000 or $1,000,000, if construction

- Becomes a material part of the contract upon award.

- Firm must file SFs 294/295.
  (Electronic Subcontracting Reporting System (ESRS = electronic filing of SF 294/295 reports)

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Subcontracting Plan

- Who submits a Subcontracting Plan

- *"Other-than-small"* …any entity that is not classified as a small business.
- Large Businesses
- State and Local Governments
- Non-Profit Organizations
- Public Utilities
- Educational Institutions
- Foreign-owned firms (if any portion of their contract is to be performed in the United States)

- The proposed Subcontracting Plan must be accepted and approved by the Contracting Officer *BEFORE* the contract can be awarded. Plan becomes a material part of the contract upon award

- Any contractor that fails to make a "good faith effort" to achieve the goals in its Subcontracting Plan may be found in material breach of contract and terminated for default, or liquidated damages may be found in material breach of contract and terminated for default, or liquidated damages may be imposed.

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Subcontracting Plan

When is a Subcontracting Plan required?

- Contract or modification > $500,000
- $1 million for construction
- Base year and *ALL* option years determine threshold
- Must be subcontracting opportunities
- If determination made that no subcontracting opportunities exist, determination must be approved at a level above the Contracting Officer and placed in contract file

Subcontracting Plans are Not required

(1) from small business concerns

(2) for personal service contracts

(3) for contracts or contract modifications that will be performed entirely outside the U. S

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Subcontracting Plan

Subcontracting Plan – Eleven Steps
IAW FAR 19.7

1. Separate % goals, expressed in terms of percentages of total planned subcontracting, to each group (SB, SDB, WOSB, HUBZone, SDVet and Vet)
2. Total $ planned to be subcontracted and total $ to be subcontracted to each group
3. Types of supplies and services to be subcontracted specifically to each group
   method used to develop each of the goals
5. Method used to identify potential sources
6. Indirect goals – statement as to whether or not included in subcontracting goals
7. Name of Subcontracting Plan Administrator and description of duties
8. Description of efforts that company will make to ensure that all small businesses will have an equitable opportunity to compete for subcontracts
9. Assurances that company will "flow-down" subcontracting requirements to its subcontractors
10. Assurances that company will cooperate in any studies or surveys and submit Standard Forms 294 and 295
11. A recitation of types of records the company will maintain to demonstrate its compliance with the Plan

Subcontracting Plan

SATOC Subcontracting Plan Section L Requirements

RFP Reference: Paragraph 8.3.1

If a subcontracting plan is required by FAR 19.7;

(a) Provide a Small Business Subcontracting Plan in accordance with FAR 19.7.

(b) Goals/Targets. Describe how your subcontracting plan compares to SATOC's Subcontracting goals (e.g. meets, exceeds, or does not meet). The goals are to be submitted for the basic five year period plus the five one year option periods, using the subcontracting worksheet format in section J.

Small Business: 23% of total subcontracted dollars

Small Disadvantaged Business: 5% of total subcontracted dollars

Woman Owned Business: 5% of total subcontracted dollars

HUBZone Small Business: 3% of total subcontracted dollars

Service Disabled Veteran Owned Small Business: 3% of total subcontracted dollars

Veteran Owned Small Business: 3% of total subcontracted dollars

Subcontracting Plan

Note: These goals may be met by any combination of subcontracts, other business teaming arrangements or vendor purchases, and should make use of small businesses to the maximum extent practicable. These goals are expressed as a percentage of CONUS subcontracting dollars. Also, any purchases made in the United States and shipped to an overseas location will count in subcontracting dollars.

RFP Reference Paragraph 8.32:

a. If a subcontracting plan is NOT required by FAR 19.7, the minimum requirement for small disadvantaged business targets is met when small businesses submit the following information for the full and open competition:

b. The offeror reflects a commitment between parties in providing subcontracting opportunities for small disadvantaged businesses.

c. The offeror reflects compliance with Air Force goal of 5% for small disadvantaged businesses expressed in dollars and in percentages of the anticipated subcontracting dollars. The goals are to be submitted for the basic five year period plus the five one year option periods, using the subcontracting worksheet format in section J.

Subcontracting Plan

SATOC RFP
Section M Evaluation Criteria

3.5 Subfactor 1.4 – Small Business Participation – Pass/Fail criteria.

This Subfactor applies ONLY to the full and open competition. This Subfactor is met when the Offeror demonstrates the following.

3.5.1 Large Business: The Subfactor is met when the subcontracting plan and proposal demonstrate the following: The Prime, if a Large Business, demonstrates a corporate commitment, as a minimum, that complies with the following goals:

Small Business: 23% of total subcontracted dollars
Small Disadvantaged Business: 5% of total subcontracted dollars
Woman Owned Business: 5% of total subcontracted dollars
HUBZone Small Business: 3% of total subcontracted dollars
Service Disabled Veteran Owned Small Business: 3% of total subcontracted dollars
Veteran Owned Small Business: 3% of total subcontracted dollars

Subcontracting Plan

The Offeror demonstrates realistic targets expressed in dollars and in percentages of the total proposed subcontracting dollars for each category above.

The small business subcontracting plan meets all criteria in FAR 19.7.

3.5.2 Small Business

(a) The Subfactor is met when the Prime, if a Small Business, demonstrates a corporate commitment that complies with the following goal for Small Disadvantaged Business, expressed in dollars and in percentages of the anticipated subcontracting dollars:

Small Disadvantaged Business: 5% of total subcontracted dollars

(b) The offeror reflects a commitment between parties in providing subcontracting opportunities for all small disadvantaged businesses.

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Past Performance

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Past Performance

- **Past Performance Due Dates**
  - **Past Performance Information (PPIs) Forms due NLT 30 Jan 06 (15 days prior to proposal due date)**
  - **Completed Past Performance Questionnaires due NLT proposal due date**

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Past Performance

- ***Past Performance represents the Government's confidence in the Offeror's ability to successfully perform as proposed and is based on an assessment of the Offeror's present and past work record.***

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Past Performance

- **Volume III – Past Performance**
  - **Section L, Para 6.3.1 Narrative – proposals are limited to ten (10) pages to describe the following:**
    - **Past Performance Summary**
      - Describe the role of the prime and each Teaming Partner that will potentially perform on the SATOC contract
      - Used to determine relevancy of projects submitted
    - **Relevance to Mission Capability Subfactors**
      - Discuss how each project submitted for evaluation demonstrate the Offeror's ability to meet MC Subfactors
    - **Organization Structure Change History**
      - Include a "roadmap" describing changes in the organization of your company as it applies to the past performance information submitted
      - Should be both specifically applicable to the efforts you identify and general enough to apply to efforts on which the Government receives information from other sources

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Past Performance

- **Volume III – Past Performance**
  - **Section L, Para 6.3.2.1 Present/Past Performance Information (PPI) Forms (Attachment L-3):**
    - **Past Performance Information Forms will be submitted electronically through SATOC website at http://www.afcesa.af.mil/satoc**
    - **Submit PPIs on projects you consider most relevant**
    - **Submit a maximum of twelve (12) PPIs**
    - **PPIs should identify completed projects**
    - **Submit at least two (2) PPI forms for the Prime**
    - **If Joint Venture, each JV partner shall submit a minimum of one (1) PPI form.**
    - **The balance of the twelve (12) PPIs may be utilized at Offeror's discretion**
    - **Submit one (1) PPI Summary Sheet per team**

*****The Government will consider only work performed by those Teaming Partners with signed Teaming Arrangements/Letters Of Intent**

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Past Performance

- **Volume III – Past Performance**
- **Section L, Para 6.4 Consent Letters:**
  - **The Offeror shall provide a consent letter for each Teaming Partner using the format provided at Attachment L-5**
  - **Consent letter allows the release of Teaming Partner adverse Present/Past Performance information to the Offeror so the Offeror can respond to such information**
- **Section L, Para 6.5 Client Authorization Letters:**
  - **Each Offeror & Teaming Partner and/or JV partner shall execute a client authorization letter for commercial customers using the format provided at Attachment L-6**
  - **Client Authorization Letter authorizes release of requested information on respective performance to the Government**

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Past Performance

- **Volume III – Past Performance**
- **Section L, Para 6.3.2.2 Past Performance Questionnaires (PPQs) (Attachment L-4):**
  - **Past Performance Questionnaires (PPQ) (web-based)**
    - An electronic letter will automatically be sent to the person(s) identified as references in the PPI form when the team's past performance POC submits an online PPI Form
    - Offeror will be able to log into the PPI form website at http://www.afcesa.af.mil/satoc to check on the number of questionnaires submitted. An email will also be sent to the team's past performance POC each time a PPQ has been submitted

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Past Performance

- **Volume III – Past Performance**
  - **Section M, Factor 3 – Past Performance:**
    - **Recency: The Government will not consider performance on an Offeror submission that concluded more than four (4) years prior to the due date of this solicitation.**
    - **Relevance: Offeror's PPI will be used to validate coverage of the SATOC SOW categories and the "Rationale for Effort Relevance" (number 15 on PPI) will be compared to the SOW to determine coverage**
    - **Relevant and Recent past performance is evaluated focusing on and targeting performance which is relevant to Mission Capability Subfactors and SATOC SOW categories**
    - **Consideration will be given to program similarity, project complexity, technical diversity, contract/subcontract management, contract type, and schedule.**

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Relevancy Rating

Relevancy Rating	Definition
Very Relevant	Past/present performance effort involved essentially the same magnitude of effort and complexities this solicitation requires.
Relevant	Past/present performance effort involved much of the magnitude of effort and complexities this solicitation requires.
Somewhat Relevant	Past/present performance effort involved some of the magnitude of effort and complexities this solicitation requires.
Not Relevant	Past/present performance effort did not involve any of the magnitude of effort and complexities this solicitation requires.

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Past Performance

- **Volume III – Past Performance**
  - **Section M, Factor 3 – Past Performance:**
- **Performance information will be obtained from the references on each project submitted as well as performance data from other sources.**
- **The extent Offeror's performance meets SOW and Mission Capability requirements**
  - **History of forecasting and controlling cost**
  - **Adhering to schedules**
  - **Reasonable and cooperative behavior and commitment to customer satisfaction**
  - **Business-like concern for the interest of the customer**
  - **Determination of how well large business SATOC Offeror(s) met their small business goals as evidenced by SF 294/295(s)**

Performance Rating

Performance Rating	Definition
Exceptional	Performance meets contractual requirements and exceeds many requirements to the Government's benefit. The contractual performance of the element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor .
Very Good	Performance meets contractual requirements and exceeds some requirements to the Government's benefit. The contractual performance of the element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor .
Satisfactory	Performance meets contractual requirements. The contractual performance of the element being assessed contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
Marginal	Performance does not meet some contractual requirements. The contractual performance of the element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions or the contractor's actions appear only marginally effective or were not fully implemented.
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element being assessed contains serious problem(s) for which the contractor's corrective actions appear or were ineffective.
Unknown	Unable to provide a score. Performance in this area is not applicable in this area is not applicable to the effort assessed.

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Past Performance

- **Volume III – Past Performance**
  - **Section M, Factor 3 – Past Performance:**
    - **Performance Confidence Assessment (PCA) represents the evaluation of an Offeror's present and past work record to assess the Government's confidence in the Offeror's probability of successfully performing as proposed.**
    - **Each Offeror will receive an integrated PCA**
    - **Gov't will evaluate the Offeror's demonstrated record of contract compliance in supplying products and services that meet user's needs, including cost control and schedule, timeliness, quality, and satisfaction.**

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Confidence Rating

Rating	Definition
High Confidence	Based on the Offeror's performance record, the Government has high confidence the Offeror will successfully perform the required effort.
Significant Confidence	Based on the Offeror's performance record, the Government has significant confidence the Offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the Offeror's performance record, the Government has confidence the Offeror will successfully perform the required effort. Normal contractor emphasis should preclude any problems.
Unknown Confidence	No performance record is identifiable.
Little Confidence	Based on the Offeror's performance record, substantial doubt exists that the Offeror will successfully perform the required effort.
No Confidence	Based on the Offeror's performance record, extreme doubt exists that the Offeror will successfully perform the required effort.

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Past Performance

- **Volume III – Past Performance**
  - **Though the assessment of Past Performance is separate and distinct from Determination of Responsibility required by FAR 9, Past Performance information contained herein may be used to support the Determination of Responsibility for the successful awardees.**

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Small Business

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Small Business

USAF Policy

- **Provide maximum practicable opportunities for small business participation as prime contractors**
- **Provide maximum practicable opportunities for small business to participate as subcontractors**
  - **Update electronic subcontracting reporting system**

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Small Business

- HUBZone 8(a)
- Other 8(a)
- HUBZone Set-Aside Competition
- HUBZone Sole Source
- Service Disabled VOSB Competition
- Service Disabled VOSB Sole Source
- 100% SB Set-Aside
- Partial SB Set-Aside
- Full & Open Competition
- Sole Source

*Excludes sources such as FPI, NIB/NISH, Government Purchase Cards, GSA, etc.

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Small Business

- **Increased opportunities for small businesses to “team” and still qualify for small business set-aside acquisitions**
- **Typical Team Arrangements**
  - **Partnership**
  - **Joint Ventures**
  - **Prime / Subcontractor**
  - **Misc. Other Arrangements**

Small Business

- **Federal Acquisition Regulation (FAR)**
  - **FAR 9.6 -- Contract Team Arrangements**
  - **FAR 19.1 -- Size Standards**
  - **FAR 52.219-1 -- Small Business Program Representations**
  - **FAR 52.219-14 -- Limitations on Subcontracting**

    "… At least 50% of the cost of contract performance incurred for personnel shall be expended for employee of the concern"

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Small Business

- **Code of Federal Regulations (CFR)**
  - **13 CFR 121.103 -- Small Business Size Regulations**
  - **13 CFR 124.513 -- 8(a) Business Development /**
  - **SDB Status Determination**
  - **13 CFR 124.519 II**
  - **13 CFR 124.520 II**
  - **13 CFR 125.6 -- Government Contracting Programs**

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Small Business

- **Small Business Advice & Assistance**
  - **Small Business Administration (SBA)**
    http://www.sba.gov
  - **Procurement Technical Assistance Centers (PTAC)**
    http://www.dla.mil/db/procurem.htm

Small Business

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